

Message Text

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PAGE 01 STATE 039603 TOSEC 040080

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ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 CCO-00 /026 R

DRAFTED BY S/S:CABORG:AM

APPROVED BY S/S:CABORG

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P 190030Z FEB 76 ZFF4

FM SECSTATE WASHDC

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E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: DAILY ACTIVITIES REPORTS FROM THE PRINCIPALS,
WEDNESDAY, FEBRUARY 18, 1976

FOR THE SECRETARY FROM ROBERT S. INGERSOLL

JAPANESE AMBASSADOR TOGO CAME IN UNDER INSTRUCTIONS TO
REITERATE HIS GOVERNMENT'S DESIRE TO HAVE ALL AVAILABLE
INFORMATION ON LOCKHEED'S DEALING WITH JAPANESE OFFICIALS.
THE GOJ DOESN'T WANT TO LIVE WITH "UNCERTAINTY AND
SUSPICION". MONROE LEIGH AND I REMINDED TOGO (WHO FULLY
UNDERSTANDS THE COMPLEXITY OF THE MATTER) OF THE LIMITS
ON OUR ABILITY TO BE RESPONSIVE, AND MONROE OUTLINED
THE LEGAL OPTIONS POTENTIALLY AVAILABLE TO THE GOJ.

EXECUTIVES FROM THE SPECIALTY STEEL INDUSTRY, LED BY
ALLEGHENY LUDLUM BOARD CHAIRMAN ROGER AHLBRANDT, CALLED
ON ME TO EXPRESS THE INDUSTRY'S STRONG SUPPORT FOR THE
ITC DETERMINATION THAT SPECIALTY STEEL HAD SUFFERED
INJURY FROM IMPORTS. THE ITC HAS RECOMMENDED TO THE
SECRET

SECRET

PAGE 02 STATE 039603 TOSEC 040080

PRESIDENT THAT A FIVE-YEAR QUOTA BE IMPOSED ON IMPORTS

OF CERTAIN TYPES OF STAINLESS AND ALLOY TOOL STEEL. THE COUNTRY MOST AFFECTED WOULD BE JAPAN, WHOSE PERCENTAGE OF SPECIALTY STEEL IMPORTS WOULD FALL FROM APPROXIMATELY 50 PERCENT IN 1975 TO ABOUT 37 PERCENT. AHLBRANDT AND HIS COLLEAGUES CONSIDERED THE IMPOSITION OF QUOTAS TO BE A NECESSARY FIRST STEP TOWARD AN ORDERLY MARKETING ARRANGEMENT LEADING TO A GOVERNMENT-TO-GOVERNMENT SAFEGUARD AGREEMENT UNDER THE GATT. NEEDLESS TO SAY, THE EXPORTING COUNTRIES DISAGREE AND HAVE SO EXPRESSED THEMSELVES TO US. I ASSURED THE INDUSTRY DELEGATION THAT WE WERE FULLY AWARE OF THE ISSUE AND WERE PRESENTLY PREPARING A RECOMMENDATION TO THE PRESIDENT.

ALSO DURING THE DAY: SMALL GROUP; LUNCH WITH JOE SISCO; FAREWELL CALL BY BOB ANDERSON; BUSINESS COUNCIL MEETINGS.

TOMORROW: CABINET MEETING; CALL BY THE CANADIAN AMBASSADOR; ATTEND SWEARING IN OF ANNE ARMSTRONG; BUSINESS COUNCIL LUNCHEON; AND DINNER HOSTED BY AUSTRIAN AMBASSADOR.

FROM SISCO:

THE BRAZILIAN CHARGE CALLED ON ME TODAY TO SEEK OUR ACTIVE SUPPORT FOR PROMPT CONSIDERATION AND APPROVAL BY THE IAEA BOARD OF THE TRILATERAL SAFEGUARDS AGREEMENT BETWEEN BRAZIL, THE FRG AND THE AGENCY. MOREOVER, HE STATED THAT THERE IS A SLIGHT POSSIBILITY THE SOVIETS MIGHT ASK THE BOARD TO POSTPONE ITS MEETING DUE TO A REFERENCE IN THE BRAZIL/WEST GERMAN AGREEMENT TO WEST BERLIN. SUCH A POSTPONEMENT WOULD IN TURN DELAY THE BILATERAL AGREEMENT WHICH WOULD HAVE SIGNIFICANT ECONOMIC SOCIAL AND POLITICAL EFFECTS IN BRAZIL. HE WAS UNDER INSTRUCTIONS TO ASK OUR SUPPORT FOR THE TRILATERAL DRAFT AGREEMENT AND FOR PROMPT CONSIDERATION BY THE BOARD. I TOLD HIM WE WOULD REVIEW THE MATTER IMMEDIATELY AND GET BACK TO HIM. IF YOU APPROVE THE RECOMMENDATIONS NOW BEFORE YOU (TOSEC 040051), I INTEND, UNLESS OTHERWISE INSTRUCTED, TO INFORM THE BRAZILIAN EMBASSY HERE THAT WE WILL ALSO SUPPORT A PROMPT CONSIDERATION OF THE TRI-

SECRET

SECRET

PAGE 03 STATE 039603 TOSEC 040080

LATERAL DRAFT AGREEMENT BY THE BOARD SHOULD THE SOVIETS SEEK A POSTPONEMENT. TO DO OTHERWISE AT THIS PARTICULAR POINT WOULD HAVE SERIOUS ADVERSE REPERCUSSIONS ON BRAZIL/AMERICAN RELATIONS.

AFTER MEETING WITH CHARLES FENYVESI OF THE NATIONAL JEWISH MONTHLY, I AGAIN MET WITH ART HARTMAN AND OTHERS TO REVIEW DEVELOPMENTS ON THE HILL WITH RESPECT TO SECURITY

ASSISTANCE FOR TURKEY.

LATER IN THE DAY, TURKISH AMBASSADOR ESENBEL CALLED ON ME TO REVIEW SECURITY ASSISTANCE DEVELOPMENTS ON THE HILL. HE ALSO LEFT AIDE MEMOIRE IN WHICH THE TURKISH GOVERNMENT DESCRIBES THE GREEKS AS GETTING STIFFER ON AEGEAN ISSUES.

I CALLED IN THE PAKISTANI AMBASSADOR TO CONVEY OUR SERIOUS CONCERN OVER THE EFFORTS OF THE PAKISTAN ATOMIC ENERGY COMMISSION TO ACQUIRE A REPROCESSING PLANT FROM FRANCE. I STATED THAT WE URGE PAKISTAN TO GIVE SERIOUS CONSIDERATION TO POSTPONEMENT OR CANCELLATION UNTIL PAKISTAN'S FUTURE NUCLEAR PROGRAM IS SUFFICIENTLY DEVELOPED TO ESTABLISH A CLEAR NEED AND UNTIL OTHER ALTERNATIVES HAVE BEEN MORE THOROUGHLY EXPLORED. THE AMBASSADOR REPLIED HE WOULD IMMEDIATELY REPORT OUR DEMARCHE TO HIS GOVERNMENT AND ASSURED ME OUR VIEWS WOULD BE GIVEN PROMPT AND SERIOUS CONSIDERATION.

FROM ROBINSON (2/18/76)

I TALKED WITH SEYMOUR RUBIN WHO IS THE U.S. REPRESENTATIVE TO THE UN COMMISSION ON TRANSNATIONAL ENTERPRISES ABOUT THE UPCOMING MEETING IN LIMA, PERU, WHERE THE COMMISSION WILL ATTEMPT TO DEVELOP A WORLD PROGRAM LEADING TO THE NEGOTIATION OF A CODE OF CONDUCT FOR MULTINATIONAL COMPANIES. I SUGGESTED THAT THE COMMISSION MAY WANT TO DO A STUDY OF FUTURE CAPITAL REQUIREMENTS AND CAPITAL SUPPLY. THE GAP BETWEEN AVAILABLE AND REQUIRED CAPITAL, WHICH I ANTICIPATE WILL BE A VERY LARGE ONE, MIGHT HELP DEVELOPING COUNTRIES FOCUS ON THE NEED FOR A REALISTIC CODE OF CONDUCT FOR
SECRET

SECRET

PAGE 04 STATE 039603 TOSEC 040080

MNC'S TO ENCOURAGE ITS FLOW.

MET WITH MESSRS. DAVID BEIM, JOHN LENTZ AND DAVID LOW OF EX-IM BANK FOR BRIEFING ON THEIR PROJECTS AND PENDING ISSUES IN ZAIRE AND ALGERIA.

ATTENDED A MEETING IN SCOWCROFT'S OFFICE WITH GREENSPAN, ZARB AND OTHERS TO REVIEW A MEMO TO THE PRESIDENT ON THE SOVIET OIL NEGOTIATIONS, WHICH WAS THE SUBJECT OF MY TELEGRAM TO YOU TODAY. IT WAS AGREED THAT WE NEED NOT REACH ANY FINAL DECISION AT THIS STAGE AS WE WOULD STILL HAVE THE MARITIME AGREEMENT ADDENDUM TO NEGOTIATE WHICH WILL ESTABLISH THE SPECIFIC BENEFITS TO BE DERIVED FROM BACKHAUL OIL CARGOES. IT IS MY GUESS THAT WE FACE A DIFFICULT NEGOTIATION IN THIS AREA WHICH

COULD DEFER FOR SEVERAL WEEKS OUR FINAL DECISION AS TO
WHETHER WE SHOULD PROCEED WITH THE OIL DEAL.

HAD A FINAL MEETING WITH OSIPOV ON THE SOVIET OIL
AGREEMENT AND ESTABLISHED THE IMPORTANCE OF PROCEEDING
WITH THE MARITIME ASPECTS OF OUR NEGOTIATIONS AS SOON
AS WE ARE IN ACCORD ON THE OIL PURCHASE AGREEMENT, WHICH
MUST BE COMPLETELY CONSISTENT WITH THE TERMS OF THE
LETTER OF INTENT OF OCTOBER 20, 1975.

FROM T - CARL MAW

ATTENDED BOB INGERSOLL'S STAFF MEETING.

CONFERENCE WITH VIN LEARSON REGARDING LOS NEW YORK MEET-
INGS, PERSONNEL MATTERS AND POSSIBILITY OF YOUR APPEARANCE
EARLY IN NEW YORK SESSION.

VARIOUS SECURITY ASSISTANCE MATTERS.

CONVERSATIONS CONCERNING STAFFING PROBLEMS IN T. INGERSOLL

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE039603
Document Source: CORE
Document Unique ID: 00
Drafter: CABORG:AM
Enclosure: n/a
Executive Order: RR
Errors: N/A
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760232/aaaabbyd.tel
Line Count: 190
Locator: TEXT ON-LINE
Office: ORIGIN SS
Original Classification: SECRET
Original Handling Restrictions: STADIS, EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: STADIS, EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by CollinP0>; APPROVED <27 JUL 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DAILY ACTIVITIES REPORTS FROM THE PRINCIPALS, WEDNESDAY, FEBRUARY 18, 1976
TAGS: OVIP, (KISSINGER, HENRY A.)
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006